

House File 489

H-1210

1 Amend House File 489 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <Section 1. NEW SECTION. 510C.1 Definitions.

5 As used in this chapter unless the context otherwise
6 requires:

7 1. "*Administrative fees*" means a fee or payment, other than
8 a rebate, under a contract between a pharmacy benefit manager
9 and a pharmaceutical drug manufacturer in connection with the
10 pharmacy benefit manager's management of a health carrier's
11 prescription drug benefit, that is paid by a pharmaceutical
12 drug manufacturer to a pharmacy benefit manager or is retained
13 by the pharmacy benefit manager.

14 2. "*Aggregate retained rebate percentage*" means the
15 percentage of all rebates received by a pharmacy benefit
16 manager that is not passed on to the pharmacy benefit manager's
17 health carrier clients.

18 3. "*Commissioner*" means the commissioner of insurance.

19 4. "*Covered person*" means the same as defined in section
20 514J.102.

21 5. "*Formulary*" means a complete list of prescription drugs
22 eligible for coverage under a health benefit plan.

23 6. "*Health benefit plan*" means the same as defined in
24 section 514J.102.

25 7. "*Health carrier*" means the same as defined in section
26 514J.102.

27 8. "*Health carrier administrative service fee*" means a fee
28 or payment under a contract between a pharmacy benefit manager
29 and a health carrier in connection with the pharmacy benefit
30 manager's administration of the health carrier's prescription
31 drug benefit that is paid by a health carrier to a pharmacy
32 benefit manager or is otherwise retained by a pharmacy benefit
33 manager.

34 9. "*Pharmacy benefit manager*" means a person who, pursuant
35 to a contract or other relationship with a health carrier,

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1 either directly or through an intermediary, manages a
2 prescription drug benefit provided by the health carrier.

3 10. "*Prescription drug benefit*" means a health benefit
4 plan providing for third-party payment or prepayment for
5 prescription drugs.

6 11. "*Rebate*" means all discounts and other negotiated price
7 concessions paid directly or indirectly by a pharmaceutical
8 manufacturer or other entity, other than a covered person,
9 in the prescription drug supply chain to a pharmacy benefit
10 manager, and which may be based on any of the following:

11 a. A pharmaceutical manufacturer's list price for a
12 prescription drug.

13 b. Utilization.

14 c. To maintain a net price for a prescription drug for
15 a specified period of time for the pharmacy benefit manager
16 in the event the pharmaceutical manufacturer's list price
17 increases.

18 d. Reasonable estimates of the volume of a prescribed drug
19 that will be dispensed by a pharmacy to covered persons.

20 Sec. 2. NEW SECTION. 510C.2 Annual report to the
21 commissioner.

22 1. Each pharmacy benefit manager shall provide a report
23 annually by February 15 to the commissioner that contains
24 all of the following information regarding prescription drug
25 benefits provided to covered persons of each health carrier
26 with whom the pharmacy manager has contracted during the prior
27 calendar year:

28 a. The aggregate dollar amount of all rebates received by
29 the pharmacy benefit manager.

30 b. The aggregate dollar amount of all administrative fees
31 received by the pharmacy benefit manager.

32 c. The aggregate dollar amount of all health carrier
33 administrative service fees received by the pharmacy benefit
34 manager.

35 d. The aggregate dollar amount of all rebates received by

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1 the pharmacy benefit manager that the pharmacy benefit manager
2 did not pass through to the health carrier.

3 e. The aggregate amount of all administrative fees received
4 by the pharmacy benefit manager that the pharmacy benefit
5 manager did not pass through to the health carrier.

6 f. The aggregate retained rebate percentage as calculated by
7 dividing the dollar amount in paragraph "d" by the dollar amount
8 in paragraph "a".

9 g. Across all health carrier clients with whom the pharmacy
10 manager was contracted, the highest and the lowest aggregate
11 retained rebate percentages.

12 2. a. A pharmacy benefit manager shall provide the
13 information pursuant to subsection 1 to the commissioner in a
14 format approved by the commissioner that does not directly or
15 indirectly disclose any of the following:

16 (1) The identity of a specific health carrier.

17 (2) The price charged by a specific pharmaceutical
18 manufacturer for a specific prescription drug or for a class
19 of prescription drugs.

20 (3) The amount of rebates provided for a specific
21 prescription drug or class of prescription drugs.

22 b. Information provided under this section by a pharmacy
23 benefit manager to the commissioner that may reveal the
24 identity of a specific health carrier, the price charged
25 by a specific pharmaceutical manufacturer for a specific
26 prescription drug or class of prescription drugs, or the amount
27 of rebates provided for a specific prescription drug or class
28 of prescription drugs shall be considered a confidential record
29 and be recognized and protected as a trade secret pursuant to
30 section 22.7, subsection 3.

31 3. The commissioner shall publish, within sixty calendar
32 days of receipt, the nonconfidential information received by
33 the commissioner on a publicly accessible internet site. The
34 information shall be made available to the public in a format
35 that complies with subsection 2, paragraph "a".

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1 Sec. 3. NEW SECTION. **510C.3 Rules.**

2 The commissioner of insurance shall adopt rules pursuant to
3 chapter 17A as necessary to administer this chapter.

4 Sec. 4. NEW SECTION. **510C.4 Enforcement.**

5 The commissioner may take any action within the
6 commissioner's authority to enforce compliance with this
7 chapter.

8 Sec. 5. NEW SECTION. **510C.5 Applicability.**

9 This chapter is applicable to a health benefit plan that is
10 delivered, issued for delivery, continued, or renewed in this
11 state on or after January 1, 2020.>

12 2. Title page, by striking lines 1 through 3 and inserting
13 <An Act relating to pharmacy benefit managers and information
14 related to the management of prescription drug benefits, and
15 including applicability provisions.>

BEST of Carroll